

**SHELBY COUNTY, TENNESSEE**  
**Federal I.D. #62-6000841**

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Single Audit Report  
For the Year Ended June 30, 2005

## **SHELBY COUNTY, TENNESSEE**

### **Contents**

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	Page
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	4-5
Schedule of Expenditures of Federal Awards	6-13
Schedule of Expenditures of State and Other Awards	14-15
Notes to the Schedules of Expenditures of Federal and State and Other Awards	16-17
Schedule of Findings and Questioned Costs	18-19
Summary Schedule of Prior Year Audit Findings	20

# THOMPSON DUNAVANT PLC

## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Chairperson and Members of the  
Shelby County Board of Commissioners and  
Mayor of Shelby County, Tennessee

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of and for the year ended June 30, 2005, and have issued our report thereon dated November 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements referred to above being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements referred to above are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated November 18, 2005.

This report is intended solely for the information and use of the County Mayor and Commissioners, management, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Thompson Dunavant PC*

Memphis, Tennessee  
November 18, 2005

# THOMPSON DUNAVANT PLC

## Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Chairperson and Members of the  
Shelby County Board of Commissioners and  
Mayor of Shelby County, Tennessee

### Compliance

We have audited the compliance of Shelby County, Tennessee (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

### Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedules of Expenditures of Federal and State and Other Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of and for the year ended June 30, 2005, and have issued our report thereon dated November 18, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedules of expenditures of federal and state and other awards are presented for purposes of additional analysis as required by OMB Circular A-133, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the County Mayor and Commissioners, management, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Thompson Dunavant PC*

Memphis, Tennessee  
November 18, 2005

**SHELBY COUNTY, TENNESSEE**

**Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2005**

<u>CFDA</u>	<u>Contract Number</u>	<u>Program Name</u>	<u>Grantor or Pass-Through Agency</u>	<u>Federal Expenditures Incurred</u>	<u>Non-Federal Expenditures Incurred</u>	<u>Total Grant Expenditures Incurred</u>
10.550		Commodity Assistance-National School Lunch	U.S. Department of Agriculture	\$ 646,110	\$ -	\$ 646,110
10.553		School Breakfast Program	U.S. Department of Agriculture	562,664	-	562,664
10.555		School Lunch Program	U.S. Department of Agriculture	3,459,554	-	3,459,554
10.557	Z-01-018273-00 GG-05-11566-00	WIC Program WIC Program	TN Department of Health TN Department of Health Total WIC Program	673,608 2,047,650 2,721,258	28,924 93,750 122,674	702,532 2,141,400 2,843,932
10.558	03-47-64531-00-0 DA-0400069-00	Child & Adult Care Food Program Child & Adult Care Food Program	TN Department of Human Services TN Department of Human Services Total CACF Program	1,108,509 624,812 1,733,321	- - -	1,108,509 624,812 1,733,321
10.565	GG-04-10582-00 GG-05-11615-00	Supplemental Food CSFP	TN Department of Health TN Department of Health Total commodity supplemental food program	113,570 327,049	- -	113,570 327,049
10.568	Z-0096485-00 Z-05-024506-00	Commodities Distribution Commodities Distribution	TN Department of Agriculture TN Department of Agriculture Total food donation	31,476 86,961 118,437	- - -	31,476 86,961 118,437
12.300		Reserve Office Training Corp (ROTC)	U.S. Department of Navy	88,233	-	88,233
14.218	B02-UC-47-0002 B97-UC-47-0002 B03-UC-47-0002 H3-92-TN-0004-1-A	Community Development Block Community Development Block Community Development Block Hope 3	HUD HUD HUD HUD	641,600 224,536 643,962 1,903	- - - -	641,600 224,536 643,962 1,903
14.231	TN37B301014 TN37B301014	Emergency Mental Health & Detox Program Emergency Mental Health & Detox Program	HUD HUD Total emergency mental health & detox program	328,996 46,990	2,124	328,996 49,114
14.239	M01-UC-47-0003 M02-UC-47-0003 M03-UC-47-0003 M94-UC-47-0025 N15622	Home Entitlement Home Entitlement Home Entitlement Home Entitlement HUD City - Housing Lead Base Paint	HUD HUD HUD HUD	35,471 194,260 327,923 38,123 52	- - - - -	35,471 194,260 327,923 38,123 52
		Total home program		595,829		595,829

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

**SHELBY COUNTY, TENNESSEE**

**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2005**

<u>CFDA</u>	<u>Contract Number</u>	<u>Program Name</u>	<u>Grantor or Pass-Through Agency</u>	<u>Federal Expenditures Incurred</u>	<u>Non-Federal Expenditures Incurred</u>	<u>Total Grant Expenditures Incurred</u>
14.243	Y-00-IM-TN-0155	Youth Build	HUD	\$ 86,524	\$ -	\$ 86,524
14.900	TNLHD0006-03	City Lead Grant	City of Mem. Housing & Comm. Svcs.	90,373	-	90,373
14.900	TNLHB0244-03	Lead Based Paint	HUD	449,738	-	449,738
			Total lead base paint program	540,111	-	540,111
16.202	GG-03-10183-00	Serious and Violent Offenders	TN Department of DCs	320,865	-	320,865
16.523	GG-05-11456-00	Juvenile Accountability Incentive Block Grant	TN Commission on Children & Youth	340,488	-	340,488
16.523	GG-04-10637-00	Juvenile Accountability Incentive Block Grant	TN Commission on Children & Youth	271,910	152,000	423,910
			Total juvenile accountability incentive block grant program	612,398	152,000	764,398
16.540	GG-003-50504-00	REACH	TN Commission on Children & Youth	40,557	-	40,557
16.575	Z00099344-01	Bilingual Victim Advocate	Office of Criminal Justice Programs	41,698	-	41,698
16.575	Z00099343-01	Homicide Response Program	Office of Criminal Justice Programs	143,105	-	143,105
			Total homicide response program	184,803	-	184,803
16.579	Z99088311-00	Exchange Club Byrne Grant	TN Office of Criminal Justice Programs	85,000	-	85,000
16.579	GG-02-09210-00	Mentally Ill Inmates	TN Office of Criminal Justice Programs	96,825	-	96,825
16.579	Z99088338-00	Drug Task Force Byrne Grant	TN Office of Criminal Justice Programs	507,527	-	507,527
16.579	DG-99-01332-06	Pre Trial Day Reporting Center	TN Office of Criminal Justice Programs	59,682	-	59,682
			Total Byrne formula grant program	749,034	-	749,034
16.582	2002-VF-GX-K015	Linking Neighborhoods	U.S. Department of Justice Office for Victims of Crime	90,352	-	90,352
16.582	2002-VF-GX-K015	Linking Neighborhoods	U.S. Department of Justice Office for Victims of Crime	10,863	-	10,863
			Total crime victim assistance/discretionary grant	101,215	-	101,215
16.588	Z0000144801	STOP grant	TN Office of Criminal Justice Programs	58,290	-	58,290
16.588	Z0000140100	First Step to Safety	TN Office of Criminal Justice Programs	75,035	-	75,035
			Total safety program	133,325	-	133,325

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

**SHELBY COUNTY, TENNESSEE**

**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2005**

<u>CFDA</u>	<u>Contract Number</u>	<u>Program Name</u>	<u>Grantor or Pass-Through Agency</u>	<u>Federal Expenditures Incurred</u>	<u>Non-Federal Expenditures Incurred</u>	<u>Total Grant Expenditures Incurred</u>
16.592	2003LB-BX-2210	Local Law Enforcement Block Grant	U.S. D.O.J. Bureau of Justice Assistance	\$ 521,412	\$ -	\$ 521,412
16.592	2004LB-BX-0673	Local Law Enforcement Block Grant	U.S. D.O.J. Bureau of Justice Assistance	377,367	-	377,367
16.592	2002LB-BX-2232	Local Law Enforcement Block Grant	U.S. D.O.J. Bureau of Justice Assistance	249,398	-	249,398
		Total local law enforcement block grant program		1,148,177	-	1,148,177
16.607		Bulletproof Vest Program	U.S. D.O.J. Bureau of Justice Assistance	4,554	-	4,554
16.609	2003-GP-CX-0515	PSN Programs Attorney General Community Gun Violence Prosecution Program	U.S. D.O.J. Bureau of Justice Assistance U.S. Department of Justice Total gun violence program	202,402 31,283 233,685	-	202,402 31,283 233,685
16.609	2001GPCX0013					
16.710	2004SHWX0182	Cops In Schools 2004	U.S. Department of Justice	85,453	-	85,453
20.205	50062	Transportation Planning-Traffic Model	TN Department of Transportation	329,078	-	329,078
20.205	Z-05-024525-00	Transportation Planning-FHWA	TN Department of Transportation	1,134,715	81,029	1,215,744
20.205	M-STP-9409(43)	Transportation Planning	TN Department of Transportation	372,595	31,867	404,462
20.205	79-901-9691-04	Metropolitan Planning-FTA	TN Department of Transportation	1,925	325	2,250
20.205	CM-STP9409(66)	CMAQ Rideshare	TN Department of Transportation	250,056	33,688	283,744
20.205	STPM9409(53)	CMAQ Rideshare	TN Department of Transportation	44,460	7,078	51,538
20.205	76008-0700410	Transportation Planning	TN Department of Transportation	1,393	98	1,491
20.205	CM-NHE-7900-28	Transportation Planning	TN Department of Transportation	11,068	1,884	12,952
20.205		CMAQ Intersection Improvements	TN Department of Transportation	203,400	-	203,400
		Commuter Transportation Assistance Program	TN Department of Transportation	36,079	-	36,079
		Total metropolitan planning program		2,384,769	155,969	2,540,738
20.505	GG-00-08-08495	CTAP	TN Department of Human Services	17,917	-	17,917
20.505	MS-08-008	CMAQ MSTO Grant MDOT Section 8	TN Department of Transportation MS Department of Transportation Total transportation program	128,817 45,097 191,831	-	128,817 45,097 191,831
20.600	PT-04-05	Highway Safe 64 Cross over to Safety	TN Department of Transportation TN Department of Transportation Total cross over to safety program	14,404 72,010 86,414	-	14,404 72,010 86,414
20.605	Z-05-024146-00	Traffic Enforcement	TN Governor's Highway Safety Office	36,991	-	36,991
20.605	Z-05-024145-00	Youth DUI Project	TN Governor's Highway Safety Office Total traffic enforcement program	59,355 96,346	-	59,355 96,346

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

**SHELBY COUNTY, TENNESSEE****Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2005**

<u>CFDA</u>	<u>Contract Number</u>	<u>Program Name</u>	<u>Grantor or Pass-Through Agency</u>	<u>Federal Expenditures Incurred</u>	<u>Non-Federal Expenditures Incurred</u>	<u>Total Grant Expenditures Incurred</u>
47.076	A004082-05-01 A00408204-1	Gender Equity in Science, Mathematics, Engineering, and Technology	National Science Foundation	\$ 283,297	\$ -	\$ 283,297
66.001	A004082-05-01	Air Pollution	Environmental Protection Agency	1,011,368	207,584	1,218,952
66.001	A00408204-1	Air Pollution	Environmental Protection Agency	328,748	67,345	396,093
66.034	PM-97475903	Special Air Pollution Section 103	Total air pollution program	1,340,116	274,929	1,615,045
66.034	PM-97475903	Special Air Pollution Section 103	Environmental Protection Agency	99,108	-	99,108
66.034	PM-97475903	Special Air Pollution Section 103	Environmental Protection Agency	93,610	-	93,610
81.042	Z-05-021680-01	Weatherization	Total special air pollution program	192,718	-	192,718
84.010		Improving Basic Programs Operated by LEA's	Department of Human Services	820,122	-	820,122
84.027		Special Education – Grants to States	TN Department of Education	8,711,286	-	8,711,286
84.041		Impact Aid	U.S. Department of Education	144,851	-	144,851
84.048A		Vocational Education – Basic Grants to States	TN Department of Education	504,006	-	504,006
84.173A		Preschool Grants for Children with Disabilities	TN Department of Education	144,016	-	144,016
84.184E		Emergency Response and Crisis Management	TN Department of Education	115,535	-	115,535
84.186A		Safe and Drug-Free Schools and Communities	TN Department of Education	153,555	-	153,555
84.195B		Bilingual Education: Training for all Teachers	TN Department of Education	174,923	-	174,923
84.213		Even Start	TN Department of Education	99,621	-	99,621

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

**SHELBY COUNTY, TENNESSEE**

**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2005**

<u>CFDA</u>	<u>Contract Number</u>	<u>Program Name</u>	<u>Grantor or Pass-Through Agency</u>	<u>Federal Expenditures Incurred</u>	<u>Non-Federal Expenditures Incurred</u>	<u>Total Grant Expenditures Incurred</u>
84.255A	CA992356	Women in Community Service	U.S. Department of Education	\$ 138,183	\$ -	\$ 138,183
84.255A	Q255A030048	Women in Community Service	U.S. Department of Education Total women in community service program	<u>192,860</u>	<u>-</u>	<u>192,860</u>
				331,043	-	331,043
84.287C		21 <sup>st</sup> Century Community Learning Centers	TN Department of Education	138,628	-	138,628
84.293B		Foreign Language Assistance Program	TN Department of Education	127,202	-	127,202
84.298A		Innovative Programs	TN Department of Education	185,730	-	187,730
84.318X		Enhancing Education Through Technology	TN Department of Education	51,569	-	51,569
84.365A		English Language Acquisition	TN Department of Education	114,964	-	114,964
84.367A		Teacher and Principal Training and Recruiting	TN Department of Education	659,647	-	659,647
93.008	US2SG03079-09-01-0	Demonstration Project for Medical Reserve	Department of Health and Human Services- Office of Public Health and Science	49,070	-	49,070
93.008	US2SGHO3079-01-0	Demonstration Project for Medical Reserve	Department of Health and Human Services- Office of Public Health and Science Total medical reserve program	<u>23,924</u>	<u>-</u>	<u>23,924</u>
				<u>72,994</u>	<u>-</u>	<u>72,994</u>
93.042	C6-02-09316-00	Aging Program - Preventive Health	TN Commission on Aging	564,199	-	564,199
93.042	C6-02-09316-00	Aging Program - Ombudsman Services	TN Commission on Aging Total aging program	<u>48,900</u>	<u>-</u>	<u>48,900</u>
				<u>613,099</u>	<u>-</u>	<u>613,099</u>
93.044	GG607170600	Aging Program - Supportive Services	TN Commission on Aging	2,061,600	66,023	2,127,623
93.045	GG607170600	Aging Program - Nutrition Services	TN Commission on Aging	548,836	-	548,836
93.045	GG607170600	Aging Program - Nutrition Services	TN Commission on Aging Total aging program	<u>639,134</u>	<u>-</u>	<u>639,134</u>
				<u>1,187,970</u>	<u>-</u>	<u>1,187,970</u>
93.053	C6-02-09316-00	Aging Program-NSIP	TN Commission on Aging	449,400	-	449,400
93.053	C6-02-09316-00	Aging Program-Preventive Health	TN Commission on Aging Total aging program	<u>74,808</u>	<u>-</u>	<u>74,808</u>
				<u>524,208</u>	<u>-</u>	<u>524,208</u>

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

**SHELBY COUNTY, TENNESSEE**

**Schedule of Expenditures of Federal Awards (Continued)**  
For the Year Ended June 30, 2005

CFDA Contract Number	Program Name	Grantor or Pass-Through Agency		Federal Expenditures Incurred	Non-Federal Expenditures Incurred	Total Grant Expenditures Incurred
		Department of Health	Department of Health			
93.116 GG-04-10467-00	TB Outreach			\$ 1,530	\$ -	\$ 1,530
93.116 GG-05-11097-00	TB Outreach			<u>917,583</u>	<u>919,113</u>	<u>1,114,900</u>
93.197 GG-05-11097-00	CDC Lead Grant-Childhood Poisoning			<u>919,113</u>	<u>97,317</u>	<u>1,116,430</u>
93.130 GG-05-11097-00	Health Planning					
93.243 1H79SM55058-01	SAMHSA Co-Occurrence	Department of Health & Human Services		239,054	25,500	264,554
93.243 6H79SM55058-03	SAMHSA Co-Occurrence	Department of Health & Human Services		168,277	-	168,277
93.252	Community Access Program	Department of Health		873,300	-	873,300
93.268 GG-05-11097-00	WIC Immunization	Department of Health		136,039	-	136,039
93.268 GG-05-11097-00	Immunization	Department of Health		<u>385,151</u>	<u>521,190</u>	<u>385,151</u>
93.283 GG-05-11097-00	Tobacco Risk	Department of Health		54,893	1,508	56,401
93.283 GG-05-11011-00	Homeland Security Bioterrorism	Department of Health		775,307	106,279	881,586
93.283 GG-04-10467-00	Homeland Security Bioterrorism	Department of Health		<u>565,056</u>	<u>-</u>	<u>565,056</u>
93.283 Z-05-020698-01	Central Lab/Bio Terrorism	TN Department of Health		23,503	81,900	105,403
93.283 GG-04-10468-01	CDC Antiterrorism Grant Central Lab/Bioterrorism	TN Department of Health		3,507	-	3,507
93.283 GG-05-11097-00	Breast & Cervical Cancer	TN Department of Health		<u>54,731</u>	<u>1,200</u>	<u>55,931</u>
93.558	Early Childhood Education Pilot Project	Total CDC-Investigations and technical assistance program		1,476,997	190,887	1,667,884
93.563 GG05-11258-00	Child Support IV-D	TN Department of Education		62,766	-	62,766
93.568 Z-05-021704-00	LIHEAP	Department of Human Services		8,569,705	1,160,000	9,729,705
93.568 Z-05-021680-01	LIHEAP Weatherization	Department of Human Services		<u>4,864,555</u>	<u>-</u>	<u>4,864,555</u>
		Total LIHEAP program		<u>504,014</u>	<u>-</u>	<u>504,014</u>
				<u>5,368,569</u>	<u>-</u>	<u>5,368,569</u>

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

**SHELBY COUNTY, TENNESSEE**
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2005**

<u>CFDA Contract Number</u>	<u>Program Name</u>	<u>Grantor or Pass-Through Agency</u>	<u>Federal Expenditures Incurred</u>	<u>Non-Federal Expenditures Incurred</u>	<u>Total Grant Expenditures Incurred</u>
93.569 Z-05-020698-01	Community Services Block Grant	Dept. of Health & Human Services	\$ 2,284,108	\$ -	\$ 2,284,108
93.600 O4CH3447 93.600 O4CH3447	HeadStart HeadStart	Dept. of Health & Human Services Dept. of Health & Human Services Total HeadStart program	11,924,835 13,358,020 25,282,855	- - -	11,924,835 13,358,020 25,282,855
93.779 GG 0209316-00	Aging Program - Preventive Health	TN Commission on Aging	-	52,500	52,500
93.917 GG-04-11155-0 93.917 GG-05-11097-00 93.917 GG-05-11833-00	HIV Case Management Family Planning HIV Case Management	Department of Health Department of Health Department of Health Total HIV case formula grant program	155,293 988,544 47,284 1,191,121	32,186 - 5,942 38,128	187,479 988,544 53,226 1,229,249
93.918	Early Intervention	Department of Health	350,000	-	350,000
93.926E 6H49MC00036-04	Healthy Start Initiative	U.S. Department of Health & Human Services	265,334	2,529	267,863
93.926 2H49MC00036-05-00	Healthy Start Initiative	U.S. Department of Health & Human Services – Material & Child Bureau	22,616	1,567	24,183
93.940/ 93.943 Z-04-019750-00	HIV	TN Department of Health	302,593	74,832	377,425
93.959/ 93.991	GG-05-10902-00	Community Prevention Initiative for Children	TN Department of Health	540,606	5,131
93.977 93.977	GG-05-024062-00 GG-05-11097-00	HIV State VD	TN Department of Health TN Department of Health Total state VD program	803,648 1,055,221 1,858,869	190,284 190,800 381,084
93.991	GG-05-11097-00	Health Risk Reduction	TN Department of Health	114,956	-
93.994 93.994 93.994	GG-05-11097-00 GG-04-10467-00 GG-05-11097-00	Children's Special Services Children's Special Services Care Coordination	Department of Health & Human Services Department of Health & Human Services TN Department of Health Total children's special services	389,339 3,303 362,467 755,109	64,300 - 65,900 130,200
					453,639 3,303 428,367 885,309

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

**SHELBY COUNTY, TENNESSEE****Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2005**

<u>CFDA Contract Number</u>	<u>Program Name</u>	<u>Grantor or Pass-Through Agency</u>	<u>Federal Expenditures Incurred</u>	<u>Non-Federal Expenditures Incurred</u>	<u>Total Grant Expenditures Incurred</u>
97.004 Z-04-020145-00	First Responders for Weapons of Mass Destruction	Tennessee Emergency Management Agency	\$ 177,391 112,413 289,804	\$ - - -	\$ 177,391 112,413 289,804
97.004 Z-03-017800	CBRNE Search & Rescue	Department of Homeland Security Total community service program			
97.006 Z-04-019759-00	CBRNE Drills	Department of Homeland Security	24,154	-	24,154
97.007 Z-04-020192-00 97.007 GG-05-11084-00	FY 2003 Part II Planning & Administration Hazardous Material Emergency Planning Grant	Department of Homeland Security Department of Homeland Security Total emergency planning program	44,405 9,047 53,452	- - -	44,405 9,047 53,452
97.008 GG-05-111504-00 97.008 GG-05-111562-00	FY2004 UASI Equipment FY2003 UASI Equipment	Department of Homeland Security Department of Homeland Security Total UASI equipment program	33,052 54,304 87,356	- - -	33,052 54,304 87,356
97.042 Z-03-015213	BATTLELLE Institute	Department of Homeland Security	9,830	-	9,830
		Total federal awards	\$ 91,469,742	\$ 3,033,394	\$ 94,503,136

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

**SHELBY COUNTY, TENNESSEE**

**Schedule of Expenditures of State and Other Awards  
For the Year Ended June 30, 2005**

Contract Number	Program Name	Grantor Agency	Grant Cost Incurred
TNH03-F001 GG-10731-00	HOPWA Program Osmose, Inc. TIP City Courts Child Safety Seats United Way HIV Nutrition Aging Program State HCBS Aging Program State Senior Centers Aging Program State Waivers Aging Program State Waivers Aging Program State Waivers Aging Program State Waivers Aging Program State Waivers TDOT Roadside Litter Grant Methodist Youth Care HIV Program Methodist – LeBonheur YouthCare HIV CSA – Special Funding Tire Recycling Robert Wood Johnson Health Robert Wood Johnson Health City Schools Nursing County Schools Nursing Chickasaw Basin Authority Operations Industrial Development Board Industrial Development Board Integrated Delivery System Court Appointed Special Advocate Juvenile Offenders Residential Care & Treatment Vitamin Supplement Tendercare Outreach Home Visiting Services EPSDT Girls Jumping in Memphis TennCare Dental Program Gun Violence Media Campaign Families First Health Planning	City of Memphis TN Department of Economic & Community Development City of Memphis City Courts United Way of Mid South TN Commission on Aging TN Highway Beautification Office Methodist – LeBonheur Healthcare Foundation Methodist – LeBonheur Healthcare Foundation TN Department of Human Services TN Department of Environment & Conservation TN Health Care Campaign Robert Wood Foundation City Board of Education County Board of Education State of Tennessee Industrial Development Board Industrial Development Board Health Loop – The Regional Medical Center TN Commission on Children & Youth TN Department of Children's Services TN Department of Health TN Department of Health TN Department of Health TN Department of Health General Mills Foundation TN Department of Health Assisi Foundation Families First Health Planning	\$ 48,750 36,990 161,466 7,500 717,034 112,478 83,768 199,275 55,500 101,202 243,299 42,958 8,364 19,282 674,583 55,850 1,847 174,356 916,641 43,577 627,459 316,588 3,235,372 9,000 6,180,382 60,000 60,039 170,709 1,523,850 4,666 1,662,709 50,000 379,150

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

**SHELBY COUNTY, TENNESSEE****Schedule of Expenditures of State and Other Awards (Continued)**  
**For the Year Ended June 30, 2005**

<u>Contract Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Grant Cost Incurred</u>
GG-05-11097-00	Newborn Outreach	TN Department of Health	\$ 20,100
	Shelby County Drug Court	City of Memphis Police Department	73,977
GG-05-11097-00	State Grant N Aid	TN Department of Health	917,800
FF-02-09316-00	State-Public Guardianship - Fee Account	TN Commission on Aging and Disability	24,649
GG-05-11279-00	At Risk Youth and Families	TN Department of Children Services	90,250
N14502/CA013024	Biological Response	TN Department of Health & Human Services	29,504
	Total state and other awards		\$ 19,140,924

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

## SHELBY COUNTY, TENNESSEE

### Notes to the Schedules of Expenditures of Federal and State and Other Awards June 30, 2005

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#### Note 1 - Basis of presentation

The schedules of expenditures of federal and state and other awards include the transactions related to the receipt of federal awards by Shelby County, Tennessee (the "County") and its component units receiving federal awards that do not issue separate financial statements under OMB Circular A-133. Accordingly, the Shelby County Board of Education and the Shelby County Healthcare Corporation, both component units of the County, are included in the schedule for the year ended June 30, 2005. The schedule also includes transactions of the County related to the receipt of state awards and designated contributions from individuals, corporations, foundations, and other groups. Such state awards and designated contributions received by the County's component units are not included in the schedule of expenditures of federal awards.

The schedules of expenditures of federal and state and other awards are prepared on the modified accrual basis of accounting, consistent with accounting for governmental type funds. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"), which is generally when the allowable program expenditures are incurred. Expenditures and transfers out are recorded when the related program liability is incurred, except for certain compensated absences.

#### Note 2 - Reconciliation of the schedules of expenditures of federal and state and other awards to the financial statements

The following is a reconciliation of expenditures per the schedules of expenditures of federal and state and other awards to the expenditure balances in the grant fund, per the County's financial statements.

Totals per Grant Activity Schedule:	
Federal expenditures	\$ 91,469,742
Non-federal expenditures	3,033,394
State and other grants	19,140,924
Total Board of Education grants	(18,001,962)
Total Shelby County Healthcare	
Corporation grants	(1,223,300)
Transfers to other funds	<u>(10,231,436)</u>
Total to agree to general ledger	<u>\$ 84,187,362</u>

**SHELBY COUNTY, TENNESSEE**

Notes to the Schedules of Expenditures of Federal and State and Other Awards (Continued)  
June 30, 2005

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**Note 3 - Non-cash assistance**

Non-cash assistance is included in the schedules of expenditures of federal and state and other awards. The amount received and expended in the current year is \$798,259 and \$764,547, respectively.

**Note 4 - Program types**

The threshold for distinguishing types A and B programs was \$2,744,092.

## **SHELBY COUNTY, TENNESSEE**

### **Schedule of Findings and Questioned Costs For the Year Ended June 30, 2005**

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#### **A. Summary of Audit Results**

1. The auditors' report expresses an unqualified opinion on the financial statements of Shelby County, Tennessee.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Shelby County, Tennessee were disclosed during the audit.
4. No reportable conditions or material weaknesses were noted during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Shelby County, Tennessee expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with OMB Circular A-133 are reported in this schedule. The audit did not disclose any audit findings related to major programs that are required to be reported under OMB Circular A-133.
7. The programs tested as major programs included:

84.027	IDEA B (Special Education-Grants to States)
84.173a	IDEA B (Special Education-Preschool Grants)
93.243	SAMHSA Co-Occurrence
93.563	Child Support IV-D
93.568	LIHEAP
8. The threshold for distinguishing Type A and B programs was \$2,744,092.
9. Shelby County, Tennessee was determined to be a low risk auditee.

**SHELBY COUNTY, TENNESSEE**

**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2005**

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**B. Findings - Financial Statement Audit**

NONE

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

NONE

**SHELBY COUNTY, TENNESSEE**

**Summary Schedule of Prior Year Audit Findings**  
**June 30, 2005**

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There were no prior year audit findings.